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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/625,001	07/22/2003	Gary William Flake	5598/68	8178

61834 7590 01/25/2008

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EXAMINER	
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ART UNIT	PAPER NUMBER
3693	

MAIL DATE	DELIVERY MODE
01/25/2008	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/625,001	FLAKE ET AL.	
	Examiner	Art Unit	
	JASON M. BORLINGHAUS	3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *05 November 2007*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1, 6 and 8 – 18* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1, 6 and 8 – 18* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1, 6 and 8 – 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Chan (Chan, N.T., Dahan, E., Lo, A.W. and Poggio, T. *Experimental Markets for Product Concepts.* Center for eBusiness @MIT. Paper 149, July 2001) in view of Davis (US Patent 6,269,361).

Regarding Claim 1, Chan discloses a computerized system (virtual stock market) for allowing transactions in an instrument (virtual securities), the instrument being associated with one or more concepts (each associated with an underlying product or concept), a method for determining a payoff ("maximize the value of the portfolio" allowing traders to "profit from trading and bear the risk of losing money", and

have "prizes…awarded according to individuals' performance.") (see p. 1, line 18 – p. 2, line 8). the method comprising:

- determining a value of the one or more concepts based at least in part on a demand for at least one concept ("the prices of the stocks are determined by demand and supply in the market." – see p. 2, lines 3 – 4);
- determining a value of the one or more concepts at a first time (As Chan discloses the determination of profit or loss based upon the instrument's value, the instrument's value at a first time must be determined to calculate the change. Furthermore, as the instrument's value is tied to the value of the "underlying product or service" the value of the underlying concept must be determined at a first time. see p. 1, line 18 – p. 2, line 8); and
- determining the payoff based on a value determined for the instrument at a time of payoff or based on a value determined for the concept at the time of payoff, wherein the time of payoff chronologically follows the first time. (As Chan discloses the determination of profit or loss based upon the instrument's value, the instrument's value at a second time must be determined to calculate the change. Furthermore, as the instrument's value is tied to the value of the "underlying product or service" the value of the underlying concept must be determined at a second time. see p. 1, line 18 – p. 2, line 8).

Chan does not teach a method comprising determining a set of terms for a term-based concept, wherein each of the terms for the term-based concept relate to a theme, each of the terms being usable in a computerized search to locate information;

determining a value of the term-based concept based at least in part on a demand for at least one term from the set of terms during one or more computerized searches related to the at least one term.

Davis discloses a method comprising:

- determining a set of terms (one or more keywords) for a term-based concept (search term), wherein each of the terms relate to a theme (search term), each of the terms being usable in a computerized search to locate information. (see abstract); and
- determining a value (rank value) of the term-based concept (search term) based at least in part on a demand for at least one term (keyword) from the set of terms (keywords) during one or more computerized searches related to the at least one term (keyword).

It would have been obvious to one of ordinary skill at the time the invention was made to have modified Chan by incorporating keywords associated with a term-based concept, as disclosed by Davis, as the "underlying product or concept," as disclosed by Chan, as such keyword has value and can be utilized in a computerized search, as disclosed by Davis, allowing for the trading of instruments based upon term-based concepts, another product with an already established value within the marketplace.

Regarding Claim 6, Chan discloses a method comprising:

- using a futures-based payoff technique in determining the payoff. ("real-money futures markets in which contract payoffs depend on the outcome of future political and economic events." – see p. 4, lines 1 - 3).

Regarding Claim 8 – 12 , Chan discloses a method comprising:

- denominating the payoff in at least one of real currency ("real money"). (see p. 1, lines 24 – 25);
- fake currency, game currency, coupons, discounts, certificates, or rights. ("If fictitious money is used, prizes can be awarded according to individual's performance." – see p. 2, lines 1 - 2 – while Chan does not explicitly state "fake currency, game currency, coupons, discounts, certificates, and rights" it would have been obvious to that Chan could award any type of prize that he desired);
- determining the payoff based upon instrument value. ("The objective of the market game is to maximize the value of the portfolio, evaluated at the market closing price. If participants play with real money, they will have the opportunity to profit from trading…" – see p. 1, lines 23 - 24);
- determining the payoff based upon instrument value. ("The objective of the market game is to maximize the value of the portfolio, evaluated at the market closing price. If participants play with real money, they will have the opportunity to profit from trading…" – see p. 1, lines 23 - 24);
- using the instrument at least one of a speculating tool, a forecasting tool or a data generation tool. ("Different non-financial markets have been established for opinion polling, forecasts and predictions." – see p. 3, line 21); and

- an entity ("virtual stock market") that at least in part facilitates allowing of transactions ("trading") capable of being valued (determining "profit" or loss) based on values of the one or more concepts ("underlying product or service" of an instrument which has value). (supra).

Chan does not teach a method comprising determining the payoff in rights relating to advertising; determining the payoff in at least one of rights to clicks or rights to impressions; an entity that at least in part facilitates Pay-per-click auctions for rights associated with the one or more term-based concepts, and comprising the entity deriving revenue from at least one of transaction fees, listing fees, institutional participation fees, institutional participation fees, data sale or publicity.

Davis discloses a method comprising:

- determining a valuation in rights relating to advertising ("higher likelihood of a referral to advertiser's web site"). (see col. 4, lines 2 – 6);
- determining a valuation in at least one of rights to clicks ("search result list" "click-through") or rights to impressions (appearance on "search result list"). (see col. 3, line 62 – col. 4, line 2); and
- an entity ("Internet search engine") also at least in part facilitates Pay-per-click auctions for rights associated with the one or more term-based concepts (keywords), and comprising the entity ("Internet search engine") deriving revenue from listing fees ("bid…for positions on a search result list"). (see col. 3, line 62 – 65).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to have modified Chan and Davis by further incorporating methodologies, as disclosed by Davis, as such methodologies and standard and conventional in the valuation of search terms and their usage in search engines.

Regarding Claims 13 – 18, such claims recite similar limitations as claimed in previously rejected claims, would have been obvious based upon previously rejected claims, or are otherwise disclosed by the prior art applied in previously rejected claims. Such claim limitations are therefore rejected using the same art and rationale as previously utilized. Applicant is reminded that any argument contrary to such an interpretation is an indication of patentably distinct subject matter that may warrant a restriction requirement.

Response to Arguments

Applicant's arguments filed 11/07/07 have been fully considered but they are not persuasive.

§103 Rejection

Applicant argues that disclosed prior art, neither alone nor in combination, teaches the claim limitation of "determining a value of the term-based concept" as recited in Claim 1.

Davis (US Patent 6,269,361) discloses:

> In addition, each account contains at least one search listing having at least three components: a description, ***a search term comprising one or more keywords***,

> ***and a bid amount***. The network information provider may add, delete, or modify a search listing after logging into his or her account via an authentication process. The network information provider influences a position for a search listing in the provider's account by first selecting a search term relevant to the content of the web site or other information source to be listed. The network information provider enters the search term and the description into a search listing. ***The network information provider influences the position for a search listing through a continuous online competitive bidding process***. ***The bidding process occurs when the network information provider enters a new bid amount, which is preferably a money amount, for a search listing. The system and method of the present invention then compares this bid amount with all other bid amounts for the same search term, and generates a rank value for all search listings having that search term.*** The rank value generated by the bidding process determines where the network information providers listing will appear on the search results list page that is generated in response to a query of the search term by a searcher located at a client computer on the computer network. A higher bid by a network information provider will result in a higher rank value and a more advantageous placement. (emphasis added – see abstract).

Examiner asserts that Davis discloses determining a value (rank value or winning bid value) for a term-based concept (search listing or search term).

Applicant also argues that the disclosed prior art fails to teach a term-based concept which includes "a set of terms…wherein each of the terms…relate to a theme." (see Applicant's Arguments, p. 9).

Examiner asserts that Davis, as quoted above, does disclose a term-based concept (search term or search listing) which includes a set of terms (keywords) wherein each of the terms (keywords) relates to a them (search term or search listing).

While Applicant may have a specific intent when utilizing certain claim terminology, such as "value", "concept" or "theme", specific definitions of claim terminology that were not articulated in the original specification nor utilized in the previously presented claim(s). As such, the broadest definition for the term was applied as to provide the "broadest reasonable interpretation consistent with the specification

during the examination of a patent application since the applicant may then amend his claims." *See In re Prater and Wei, 162 USPQ 541, 550 (CCPA 1969).*

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JASON M. BORLINGHAUS whose telephone number is (571)272-6924. The examiner can normally be reached on 8:30am-5:00pm M-F.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

/Jason M Borlinghaus/
Examiner, Art Unit 3693

January 25, 2008